

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
GLOBAL TELELINK SERVICES, INC.,)
) No. 00 -0507
APPLICATION for a certificate of)
local and interexchange authority)
to operate as a facilities based)
carrier of telecommunications)
services statewide in the State of)
Illinois.)

Chicago, Illinois

November 6, 2000

Met, pursuant to notice, at 10:00 o'clock a.m.

BEFORE:

MR. SHERWIN ZABAN,
Administrative Law Judge

APPEARANCES:

SMITH, GALLOWAY, LYNDALL & FUCHS,
L.L.P., by
MR. DEAN R. FUCHS and
MR. NEWTON GALLOWAY
100 South Hill Street
Suite 400
Griffin, Georgia 30224
appearing telephonically
for the petitioner;

MS. BARBARA LANGFORD
527 East Capitol Avenue
Springfield, Illinois 62794
appearing telephonically
for the Consumer Services Division
Illinois Commerce Commission;

MS. JUDITH MARSHALL
527 East Capitol Avenue
Springfield, Illinois 62794
appearing telephonically
for the Telecommunications

Division

Illinois Commerce Commission.

SULLIVAN REPORTING COMPANY, by
Leah Ann Bezin, CSR
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I N D E X

Witnesses: Exmnr	Direct	Cross	Re - direct	Re- cross	By
Robert A. Fisak	6		13		
11			18		
33					

E X H I B I T S

Number Evidence	For Identification	In
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PETITIONER'S

Exhibit No. 1	11
Exhibit No. 2	13

JUDGE ZABAN: By the powers vested in me by the Illinois Commerce Commission, I now call Docket No. 00-0507, Global Telelink Services, Inc., application for a certification of local and interexchange authority to operate a facilities-based carrier of telecommunications services statewide in the state of Illinois.

Will the parties please identify themselves for the record.

MR. FUCHS: Yes, sir.

This is Dean Fuchs, counsel on behalf of Global Telelink Services.

I'm joined by Newton Galloway, also on behalf of Global Telelink services.

MR. FISAK: And I'm Robert A. Fisak from Global Telelink Services.

JUDGE ZABAN: Okay. And for the Commerce Commission we have present?

MS. LANGFORD: This is Barb Langford, Consumer Services Division, 527 East Capitol, Springfield, Illinois.

MS. MARSHALL: I'm Judith Marshall,

Telecommunications Division, Illinois Commerce
Commission, 527 East Capitol Avenue, Springfield,
Illinois.

JUDGE ZABAN: Okay.

Mr. Fuchs, are you going to have anybody
testify other than Mr. Fisak?

MR. FUCHS: Fisak.

No, sir.

JUDGE ZABAN: Fisak. Okay.

Mr. Fisak, would you telephonically raise
your right hand.

(Witness sworn.)

JUDGE ZABAN: Okay. Mr. Fuchs, you can proceed.

MR. FUCHS: Thank you, Mr. Zaban

ROBERT A. FISAK,
called as a witness herein, having been first duly
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY

MR. FUCHS:

Q. Mr. Fisak, would you please state your full
name and your position with Global Telelink Services

for the record.

A. Yes. My name is Robert A. Fisak. That's spelled F-i-s-a-k.

I'm a vice president of the company.

Q. And please state the address of the company.

A. The address is 6600 Peachtree, Dunwoody Road.

Let me ask a second, is this being recorded? Otherwise, if it is, I'll spell out the names of these places.

JUDGE ZABAN: Yes. We have a court reporter present, so she is shaking her head, she is requesting that you spell them out, if possible.

THE WITNESS: Okay. Good.

My last name is spelled F-, as in "frank," i-s-a-k.

And our address again is 6600 Peachtree, is one word, second word is Dunwoody, D-u-n-w-o-o-d-y, Road, Building 600, Embassy Road, Suite 480, Atlanta, Georgia 30328.

MR. FUCHS: Q And, Mr. Fisak, this is Global Telelink Services, Inc.'s, application for a

certificate to provide local and interexchange authority in the state of Illinois; is that correct.

A. Yes, sir.

Q. And Global Telelink caused to be prepared and filed 15 pages of prefiled testimony under the name of Tom McClain; is that correct?

A. Yes, sir.

Q. And what is Mr. McClain's position with Global Telelink Services?

A. Mr. McClain is employed as director of telecommunication interests.

Q. Okay. And Mr. McClain, I understand, could not be available for this hearing today. So you'll be substituting for him; is that correct?

A. Yes, I will.

Q. And have you reviewed the prefiled testimony that Mr. McClain submitted in this matter?

A. Yes, I have.

Q. Okay. And will you be adopting Mr. McClain's prefiled testimony in this matter?

A. Yes.

The only thing, there were certain

discrepancies on there that are just more typos than anything else.

Q. Okay. Well, let's go through them.

A. Okay.

Q. Do you have any changes or modifications to the prefiled testimony of Mr. McClain that you'd like to make the Commission aware of?

A. Yes.

The changes would be on the address of Global Telelink Services, Inc.

In the prefiled testimony, the address was listed as 6000 Peachtree Dunwoody Road. But, in actuality, it's 6600.

Q. Page 2, Line 5?

A. Well, it would be Page 2, Line 5, yes.

Q. Okay.

Are there any other revisions?

A. On Page 6, the same correction was made, Line 6.

Page 9, Line 1.

On Page 10, Line 6, they have 29 employees instead of 10 employees.

And let me see if I can find another correction.

I believe that's all that was -- was all that I need to correct in the document.

Q. Okay. Now, for the record, my page numbers may be a little bit different from the page numbers that Mr. Fisak is referring to.

But other than the correction in the street number of the address and the number of employees, current employees for Global Telelink, were there any other substantive modifications?

A. No, there were not.

Q. Okay. Thank you.

Mr. Fisak, subject to those modifications, if I asked you the same questions that were presented in the prefiled testimony, would your answers today be the same subject to those modifications?

A. Yes, they would be the same.

MR. FUCHS: Okay. Excuse me, Mr. Zaban. I'm not sure if this is customary in Illinois, but, typically, we would ask the witness to present just

a brief summary of the prefiled testimony.

I don't know whether that's customary in Illinois, but I'll be happy to have the witness do that if that's something that the Commission would like us to do.

JUDGE ZABAN: Well, are you seeking the admission of the prefiled testimony into evidence?

MR. FUCHS: Yes, subject to cross-examination.

JUDGE ZABAN: Okay. Then, in Illinois, we generally treat the document speaks for itself if --

MR. FUCHS: Okay.

JUDGE ZABAN: -- you are asking that the document be admitted into evidence.

MR. FUCHS: Okay.

JUDGE ZABAN: Okay.

Do we have any objection to the admission of the prefiled testimony?

MS. MARSHALL: No.

MR. FUCHS: Okay.

JUDGE ZABAN: Okay. Then prefiled testimony will be admitted into evidence as Petitioner's Exhibit No. 1.

MR. FUCHS: Thank you.

(Whereupon, Petitioner's Exhibit
No. 1 was admitted into
evidence.)

MR. FUCHS: The witness is available for
cross-examination.

JUDGE ZABAN: Okay. Now, just one other
question.

EXAMINATION

BY

JUDGE ZABAN:

Q. Mr. Fisak, are you familiar with the
application that was filed in this matter for the
certificate?

A. Yes. I have it in front of me.

Q. Okay. And have you had an opportunity to
examine that document?

A. Yes, I have read it.

Q. Okay. And who is Jewett Tucker?

A. Jewett Tucker is the chairman of our
company. He was one of the founders of the company.

Q. Okay. Have you had an opportunity to

examine and look at the answers given to the various questions in that document?

A. That I don't know, sir.

I really can't answer on his behalf. I'm not aware of whether he has or not.

JUDGE ZABAN: Okay. Well, in any event I notice that the document is under oath and it is notarized.

Are you -- Mr. Fuchs, are you seeking to have that admitted into evidence as well?

MR. FUCHS: Yes, sir.

JUDGE ZABAN: Okay.

Any objection to the admission of the application?

MS. MARSHALL: No.

JUDGE ZABAN: Okay. The application will be admitted as Petitioner's Exhibit No. 2.

(Whereupon, Petitioner's No. 2 was admitted into evidence.)

JUDGE ZABAN: Okay. I take it, Mr. Fuchs, at this point, you have no further questions?

MR. FUCHS: That's correct.

JUDGE ZABAN: Okay.

Ms. Langford and Ms. Marshall, if you have any questions, you can proceed.

MS. LANGFORD: This is Barb Langford, and I've got a few questions.

CROSS EXAMINATION

BY

MS. LANGFORD:

Q. In No. 3 of the application, in regard to the 735 waiver, were you aware that -- you're requesting this waiver for long distance service -- I mean, are you requesting this for long distance service or for local service?

A. To the best of my knowledge, we are requesting this for the local service.

Q. Okay. Now, are you aware that staff has never supported a waiver of Part 735 for local exchange service?

A. We are not aware of that.

Q. Okay. You may be referring to 735.180, which is in reference to names and phone numbers in directories.

A. Yeah. In the names in directories, we

requested that the ILEC provide that for us and that we would be included in their directory assistance.

Q. Okay.

Are you currently providing any service in any other state?

A. At this time, no. But we are -- we do have CLEC status in 11 states right now. We have pending applications or are in the process of filing applications in the other states.

Q. Okay. And No. 15 of the application, will you provide a monthly detailed billing statement that lists all services, features, taxes and surcharges?

A. Yes, we will.

Q. And what are your business hours?

A. Our normal business hours are 8:30 to 5:30.

However, we will have customer assistance --

JUDGE ZABAN: We will have customer service what?

THE WITNESS: And billing assessments on a 24/7 basis.

JUDGE ZABAN: Oh. 24/7. Okay.

MS. LANGFORD: Q 24 hours a day, 7 days a week.

A. Yes.

Q. For customers. Okay.

A. As we are wrapping up, yes.

Q. You state in your testimony that you will have guidelines in place to prevent slamming.

What about cramming? Will you also have guidelines in place to prevent cramming?

A. You have to help me a little bit. I don't know what cramming means.

Q. Cramming is something that is added to a phone bill. It's not necessarily a change in company. That's considered a slamming. But cramming are like features or different things that's added on to people's bills that they were not aware of.

A. Our present method would be to have the written documentation or the written contract for the customer to authorize any services required.

We wouldn't be doing any cramming or slamming.

Q. Okay. How do you plan to solicit your customers?

A. We intend to use the internet; we intend to use TV, radio ads; and, selectively, we would have some direct agents of the company employed in a state such as Illinois to perform that marketing also.

Q. Will you be using any telemarketers?

A. No, we don't intend to.

Q. Okay. Could you provide me with the name of the person at your company that would be responsible for working with the Consumer Services Division of the Illinois Commerce Commission for complaint resolution?

A. Yes. That will be Mr. Tom McClain.

MS. LANGFORD: Okay. I believe that's all the questions I have.

Thank you.

JUDGE ZABAN: Okay. Ms. Marshall.

MS. MARSHALL: Yes.

EXAMINATION

BY

MS. MARSHALL:

Q. Good morning, Mr. Fisak.

A. Hi.

Q. I hope I'm pronouncing that correctly.

A. It's Fisak. Unfortunately, I'm from Ohio, so things are pronounced a little differently over there, I think.

Q. Do you have a copy of the application in front of you?

A. Yes, I do.

Q. Okay. First I'm going to direct your attention to Item No. 4 in the application.

A. Yes.

Q. And it states there that you are seeking statewide authority.

Do you intend to operate in parts of the state that would qualify for a rural exemption as defined by the '96 Federal Telco Act?

A. Yes, we do.

Q. And would you be intending to interconnect with any carriers in those locations?

A. Yes. We would have -- yes, we do intend to

interconnect.

Q. Okay. Are you aware of that it would be necessary to first seek approval of the Commission before interconnecting in a rural exemption area?

In other words, there would be an additional filing before the Illinois Commerce Commission?

A. No, I was not aware of that.

But, on the other hand, we will comply with whatever requirements are needed by the Commission.

Q. Okay. And earlier you responded to Ms. Langford that you now have authority in 11 states.

Could you tell me which states those are?

A. Yes. Oregon; Vermont; South Carolina; Wisconsin; Georgia; Washington; Texas; New York; Wyoming; Montana and Kentucky.

Q. And, I'm sorry, I couldn't understand the second state you listed after Oregon.

A. Oregon and then Vermont.

Q. Vermont. Thank you.

A. Okay.

Q. Attached to your application is a request for authority to maintain your books and records outside of Illinois?

A. Yes.

Q. Do you agree to notify the chief clerk of the Illinois Commerce Commission if the location of those records should change?

A. Yes, we will.

Q. And those records will be maintained at the business address shown on the application; is that correct?

A. Yes that's correct.

Q. Attached to the application as a proprietary exhibit is Exhibit D, which are the financial statements.

And those were also submitted to us in response to a request for information.

A. Yes.

Q. Is it your intention to seek proprietary treatment of Exhibit D and to offer that as an exhibit in the docket?

A. Articles of Incorporation, yes.

Q. No, I'm referring now to the financial statement.

A. I'm sorry. What I am looking at as Exhibit B in the application, I have got it listed as Articles of Incorporation.

But, yes, we do intend to have the financials of the company listed as a proprietary information.

Q. Okay. I'm referring to Exhibit D, as in "dog."

A. I'm sorry. Let me go down to that, please.

The answer to that is yes.

MR. GALLOWAY: Ms. Marshall, this is Newton Galloway.

Do you treat the exhibits to the application as separate documents for purposes of this hearing from the application itself?

MS. MARSHALL: We don't normally. But I think you might need to break this out separately, you can check with the Examiner's preference, in order to have it marked proprietary and admitted into the

record.

MR. GALLOWAY: Okay. The only reason I was asking was because I thought that we had put a proprietary notice of some sort on that exhibit. That's the reason I was just asking.

I didn't know what your procedure -- what specific procedure you required for that.

JUDGE ZABAN: Okay. For the record, I will grant your motion to have the financial statement be declared proprietary.

And what we will do is, we generally admit all the exhibits attached as part of the application.

But because you actually labeled them by various letter designations, the financial information will be -- we will make that a sub-exhibit, and we'll list that as proprietary.

MR. GALLOWAY: Thank you, sir.

MS. MARSHALL: Thank you.

Q. I am going to now refer you to the prefiled testimony of Mr. McClain.

A. Okay.

Q. First I have a few questions.

I understand your entire title is Vice President of International Business.

Could you tell me what international business the company has?

A. Okay. My title has changed a little bit, but I'll be more than happy to tell you what we are doing internationally.

Right now, our company is authorized to be a long distance carrier within Canada.

Also, we are authorized by the Canadian CRTC to carry international traffic in and out of Canada.

We have the 214 international authority from the FCC.

And we are aggressively looking at expanding our international businesses to other countries.

Q. And are you actually providing those services in Canada?

A. Our equipment is operational in Canada at this time, yes.

Q. Have you received revenue from those services?

A. Not at this point, no.

Q. And those revenues, then, would belong to the applicant, is that correct, or would there be a separate affiliate?

A. No. It's our company, Global.

Q. Okay.

A. Yes.

Q. Okay.

Now, I mentioned earlier in an off-the-record discussion that no chart of accounts had been received.

Could you explain to us who is responsible for the accounting records of the applicant?

A. The individual responsible for the accounting records is Linda Lupsha, L-a-p-s-h-a. She is our chief financial officer.

Q. And Ms. Lupsha's resume was not submitted with the application; is that correct?

A. To the best of my knowledge, it was not.

However, we are capable of providing that to you.

Q. Do you know offhand what her qualifications are with regard to accounting expertise?

A. To the best of my knowledge, she is a Certified Public Accountant. She's had extensive experience in the field for a period has been in Illinois as well as in other states. And she indicated to me that she is familiar with the accounting procedures for the state of Illinois.

Q. Do you know what specific accounting system Global will be using?

For example, is there a specific software system in place?

A. No, unfortunately, I can't say for certain. I think it might be a form of Quick Books. But, on the other hand, I'd have to rely on Linda to provide that information.

Q. Would you commit to providing a chart of accounts as a late-filed exhibit in this case?

A. I'll pass that on to Linda to provide what you need us to provide, okay?

Q. Okay.

JUDGE ZABAN: Okay.

Ms. Marshall, you are also asking for a resume?

MS. MARSHALL: I believe that would be appropriate, yes.

JUDGE ZABAN: Okay. All right. I'll grant that request.

MR. GALLOWAY: Ms. Marshall, this is Newt Galloway again.

JUDGE ZABAN: Yes.

MR. GALLOWAY: Just as a means of explanation, Ms. Lupsha came on with the company after this application was filed.

JUDGE ZABAN: Okay. Mr. Galloway, that's not a problem. We allow late-filed exhibits all the time. It's just -- it's really a matter of form over substance.

MR. GALLOWAY: Okay. I just wanted to explain as to why her resume was not in the application.

JUDGE ZABAN: We didn't -- at no time did the word dilatory come to mind. Okay?

MR. GALLOWAY: Just wanted to check.

JUDGE ZABAN: All right.

MR. FUCHS: Thank you, Newton, for the help.

MS. MARSHALL: Q Okay. Mr. Fisak, I'm referring now on Page 16 of the prefiled testimony.

It states there that records will be maintained in accordance with generally accepted accounting principles.

The acronym for that is GAAP, all in capitals, and generally referred to as GAAP.

Are you familiar with those principles.

A. Very loosely. I am familiar with generally accepted accounting principles. I'm familiar with the term "GAAP." And, yes, we will follow those principles.

Q. Okay. Could you tell us what three basic financial statements are required by GAAP accounting?

A. Ms. Marshall, unfortunately, I cannot.

Q. Okay. Let me refer you to the cover page attached to Exhibit D, which is the financial statements.

A. All right. Just one second, please.

On the application, then, is that correct?

Q. Yeah. It's the accountant's letter.

A. Unfortunately, I don't have that. All I have is Exhibit D. It says Financial Capability. And I don't have an accountant's letter.

Let me go through the document a little further. I might find it in there.

Q. It may also be near the witness' testimony that was provided to staff together with the testimony.

A. Okay. Bear with me one second, please

(Pause.)

No, Judith, I don't have that.

Q. Is it then correct you don't have any of the packet of the financial information, the balance sheet, income statement --

A. I have the balance sheet in my profit and loss statement, but I don't have the letter I think you are referring to.

Q. Okay. Do you accept, subject to check, that

that letter includes a statement that these financial statements do not comply with generally accepted accounting principles?

A. I would have to see that letter, and then I'd have to talk to Linda about that, and then I'd be able to answer that, I think, a little clearer.

But right now, since I don't have that letter, I really can't say one way or the other.

MS. MARSHALL: Okay.

Can we go off the record, please?

JUDGE ZABAN: Sure.

(Whereupon, a discussion was
had off the record.)

JUDGE ZABAN: Okay. We have had a discussion off the record.

And I'm going to grant staff's request that we adjourn this hearing for staff to get a copy of the charter of accounts and a resume of, I believe it's Ms. Lupsha, who is the accountant for Global Telelink, who will be able to answer some of Ms. Marshall's questions.

We have set a tentative date of November

the 9th at 2:00 o'clock.

And I will allow the transmission of those documents, if that's acceptable to Global Telelink, by e-mail.

MR. FUCHS: That's fine.

JUDGE ZABAN: Okay?

Ms. Marshall, do you have any further questions of Mr. Fisak?

MS. MARSHALL: Yes.

Q. I just have one, Mr. Fisak.

Would you be able to explain, for the record, any information about either the company's financial resources or any -- for example, whether any of its debt is convertible to stock or any of those other types of financial footnote information?

A. Okay. At this time, none of the debt is convertible to stock. The financial ability of the company is based on long term debt and capital provided by primary shareholders.

Q. Has there been any equity infusion since March 31st of 2000?

A. Yes, I believe so.

We have also -- we sell our gateway units, which are the proprietary switches, and derive from that.

What it is, basically, if you recall, GTS is the startup company. It's been in existence a little over two years.

Q. Um-hmm.

A. And what we are doing is, we are -- our business plan or business model dictates that we achieve CLEC status in all 50 states and then start developing our international network.

We developed our software at considerable expense that interfaces with our switches, which we manufacture ourselves.

And what this, in turn, does is, provides us the interface with providing local service with providing long distance service by the means of active data transmission, converting analog voice to digital and then compressing that and putting it into our network after triggering our central server, and then it's decompressed at the far side. And we are looking at a compression ratio of

approximately eight to one.

So this is the interface we are looking for, is the local service as well as the long distance.

Q. So it's your testimony that the company would have received revenues from sales of these gateway -- this gateway system --

A. Yes.

Q. -- since March?

Yes, perhaps it would be appropriate for the company to provide updated financial statements that indicate the equity infusions and the revenues that it has received since March.

A. Okay.

Q. That may present a different -- a different-looking balance sheet.

You might discuss that with Ms. Lupsha.

A. Okay.

MS. MARSHALL: That's all the questions that I have.

JUDGE ZABAN: Okay.

I have a couple questions, Mr. Fisak.

EXAMINATION

BY

JUDGE ZABAN:

Q. What type of service do you plan on providing?

Is it going to be vocal or is there going to be ISP?

A. It will be local service.

We will be using -- for our long distance, we will be using VOIP technology.

Q. And --

A. Dedicated band width through the fiber network and kind of a dedicated local server.

Q. Okay. And is this going to be residential as well as business customers?

A. Yes, that's what we intend to do.

Q. Okay. I believe you indicated that you're not currently operating in any states.

And would that be because of the fact that you need to get certification in all 50 states in order for you to operate?

A. No. It's we don't need -- at some point in

time, we will have the certification in all 50 states.

What we are doing right now is that we develop the network, the software. We are going through the beta testing. And as we bring the states on line, we will be able to wrap up the entire program and become an active participant in various locations.

For example, in a state such as Illinois, we will have to have the collocation facilities, the PRIs, the private network, dedicated band width. So it's quite a lengthy process for us.

Q. Okay. And I take it you are currently going to be operating in Illinois one POI per LATA?

A. I'm sorry, sir. I didn't --

Q. I take it you are going to start off with one POI per LATA?

A. Eventually that's where we'd like to be in every location in the United States, is one POI per LATA, yes.

Q. Okay. And have you entered into any type of interconnect agreements with any of the ILECs in any

of the places that you are certified?

A. To the best of my knowledge, I think we have an interconnect agreement with Bell South. I don't know whether that's been finalized yet or not.

Q. Okay. Have you contacted or done business with Ameritech in any of the states you are certified with?

A. I don't know what Tom has done with Ameritech.

I believe we are waiting for CLEC status prior to doing that interconnect agreement with Ameritech.

Q. Okay.

I believe I have no further questions.

Oh, wait. I have one more.

Mr. Fisak -- this is off the record.

(Whereupon, a discussion was
had off the record.)

JUDGE ZABAN: Okay. I have nothing further.

(Witness excused.)

Okay. All right.

I'm going to mark this continued to

November the 9th at 2:00 o'clock.

(Whereupon, the above -entitled
matter was continued to
November 9, A.D., 2000 ,
at 2:00 o'clock p.m.)